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Brazil

Fresh Deciduous Fruit

Brazilian Apple and Pear Production and Trade 2002

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Report Highlights:

Brazil's 2001/02 apple crop is expected to rebound from last year and reach 750,000 metric tons. Apple exports are projected to increase by 90 percent in 2002, while apple imports are estimated to decline by 10 percent. Pear production is insignificant in Brazil. Imports of pears increased by over 15 percent in 2001, and likely will continue to increase in 2002.

Includes PSD changes: No
Includes Trade Matrix: Yes
Unscheduled Report
Brasilia [BR1], BR

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Executive Summary

This report concentrates on apple production, consumption, and trade only. For Pears, this report provides only import data, since pear production is insignificant in Brazil. Apple production in 2001/02 is expected to rebound by 20 percent from the previous crop year. Apple exports are also forecast to increase by over 90 percent in 2002, while apple imports are expected to decline by 10 percent from 2001.

Production

The harvest of the Brazilian 2001/02 apple crop began in January and it is expected to be completed by May 2002. Our trade sources reported that 20 percent of the current crop has been already harvested, and that they estimate production at 757,000 metric tons, up 20 percent from the 2000/01 crop year. The increase in production is due to good weather in the producing regions of Santa Catarina, but hail affected some apple orchards in Rio Grande do Sul. The quality of the apple crop in 2002 is reportedly better than last year. Prices are expected to remain firm since the 2001/02 apple crop is still below the record crop of 1999/00.

The state of Santa Catarina remains as the main apple producer, and it is expected to increase its share to 54 percent this year, followed by the state of Rio Grande do Sul with 43 percent. The two most important varieties cultivated in Brazil are "Gala" (normally harvested Jan-Fev) and "Fuji" (harvested during Mar-Apr). In 2002, Brazilian producers will harvest for the first time a variety developed by the research service of Santa Catarina, called "Diane", to be harvested during the month of March. This variety is the first one to be under the new cultivar protection law.

The following table provides an overview of the estimated harvested area and production of apples, during 2001/02 crop year:

State	Area Harvested (Hectares)	Production (Metric Tons)
Santa Catarina	16,820	409,000
Rio Grande do Sul	13,900	325,510
Parana	1,600	20,400
Sao Paulo	365	2,090
Brazil	32,685	757,000

Source: Office of Agricultural Affairs (OAA), based on interviews with trade sources.

Consumption

Apple consumption is expected to increase by over 10 percent in 2002 due to higher availability of domestic production, quality, and favorable domestic prices. In addition, the Brazilian economy is expected to increase in 2002 by over 2 percent.

Brazilian Apple Market (in metric tons):

Year	1999	2000	2001 (a)	2002 (b)
Production	781,430	969,090	630,750	757,000
Imports	66,453	43,651	65,920	59,328
Exports	57,449	64,480	35,786	75,000
Apparent Consumption	790,434	948,261	660,884	741,328

Source: Office of Agricultural Affairs (OAA), based on interviews with trade sources.

A) Estimate; B) Forecast

Trade

Trade sources estimate that apple exports will increase by over 90 percent in 2002 due to higher domestic availability of apples, good quality, and favorable exchange rate. The European Union remains as the most important market for Brazilian apple exports, although Brazilian exporters have made some in-roads into the Asian and Middle East markets.

Apple imports rebounded somewhat in 2001 due mostly to the lower availability of domestic apple production. Argentina was the major supplier of apples to Brazil in 2002, followed by Chile and the European Union. However, trade sources estimate that apple imports will likely decline by 10 percent in 2002.

Policy

There is no national policy for increasing apple production in Brazil. Production policies are limited to the two southern states of Santa Catarina and Rio Grande do Sul, and are designed to improve infrastructure in the sector, such as increasing cold storage capacity and agricultural research. Recently, the government of Santa Catarina began an assistance program to small apple producers by providing support to form producer cooperatives in order to be able to market their products, since apple production in that state is concentrated among a few large companies.

Marketing

As of today, the Brazilian Export Promotion Agency (APEX) has not approved the market promotional program for apple exports. The program matches funds for exports promotion between the Brazilian Apple Producer Association and APEX.

Statistical Tables

Table I: Brazilian Imports of Fresh Apples by Country of Origin, 1998-2001

BRAZIL: IMPORTS OF FRESH APPLES BY COUNTRY OF ORIGIN: 1998-2001								
Country of Origin	1998		1999		2000		2001	
	MT	US\$1000	MT	US\$1000	MT	US\$1000	MT	US\$1000
Argentina	97,672	44,419	50,582	21,655	27,072	14,008	57,703	22,174
Chile	17,498	6,308	9,623	3,200	10,601	4,161	5,877	5,834
USA	5,191	2,393	1,742	721	510	264	230	114
Spain	18	14	0	0	241	107	40	13
France	2,064	981	3,143	1,324	3,381	1,702	1,792	966
Italy	140	74	454	238	1462	755	149	82
Paraguay	38	6	0	0	0	0	0	0
Portugal	18	14	49	14	22	10	20	14
Venezuela	99	30	0	0	0	0	0	0
Uruguay	780	395	859	366	362	129	109	38
Others	109	22	1	1	0	0	0	0
Total	123,627	54,656	66,453	27,519	43,651	21,136	65,920	29,235
Notes:								
1- Harmonized Tariff System (HTS) Code: 0808.10.00								
2- Import Duty (Ad Valorem): 12.5 percent, effective January 1, 2002								

Table II: Brazilian Exports of Fresh Apples by Country of Destination, 1998-2001

BRAZIL: EXPORTS OF FRESH APPLES BY COUNTRY OF DESTINATION: 1998-2001								
Country of	1998		1999		2000		2001	
Origin	MT	US\$1000	MT	US\$1000	MT	US\$1000	MT	US\$1000
Netherlands	6,989	3,463	37,158	18,260	30,612	13,415	19,618	9,266
United Kingdom	3,587	2,147	7,760	4,801	11,510	6,331	3,760	2,264
Hong Kong	0	0	4,755	2,547	1,166	466	0	0
Spain	0	0	3,460	2,038	1,964	1,136	1,462	868
Portugal	0	0	1,100	572	832	386	550	289
Belgium	0	0	850	510	2,043	854	2,477	1,168
Italy	108	47	602	371	584	334	533	369
United States	0	0	746	334	552	251	21	7
Singapore	0	0	423	249	290	149	0	0
Germany	0	0	333	231	6,160	2,971	2,880	1,333
Others	124	17	262	264	8,767	4,464	4,485	2,575
Total	10,808	5,674	57,449	30,177	64,480	30,757	35,786	18,139
Notes:								
1- Harmonized Tariff System (HTS) Code: 0808.10.00								

Table III: Brazilian Imports of Fresh Pears by Country of Origin, 1998-2001

BRAZIL: IMPORTS OF FRESH PEARS BY COUNTRY OF ORIGIN: 1998-2001								
Country of	1998		1999		2000		2001	
Origin	MT	US\$1000	MT	US\$1000	MT	US\$1000	MT	US\$1000
Argentina	121,407	61,420	91,787	41,992	84,225	41,436	108,286	44,424
United States	13,012	8,166	11,339	6,687	6,760	4,216	2,509	1,552
Portugal	509	519	3,447	1,702	4,108	2,415	3,755	2,186
Chile	3,338	1,602	2,988	1,131	4,274	1,748	2,392	1,024
Spain	1,073	752	755	391	1,083	755	262	172
Uruguay	1,691	853	639	244	852	290	420	144
France	114	87	138	68	84	59	19	13
Others	186	97	1	2	0	0	6	4
Total	141,330	73,496	111,094	52,217	101,386	50,919	117,649	49,519
Notes:								
1- Harmonized Tariff System (HTS) Code: 0808.10.10								
2- Imports Duty (Ad Valorem): 12.5 percent, effective January 1, 2002								